AMENDED

CONCORDIA UNIVERSITY
BOARD OF GOVERNORS
CONCORDIA EMPLOYEE BENEFITS COMMITTEE

Meeting of October 25th, 1982

Attendance: Chairman, Mr. G Fisher, Prof. L. Bessner, Mr. R. Doutre, Prof. H. Ripstein, Mr. B. Smart, Mr. C. Waters, Miss D. Johnson and Mr. M. Hamilton of William M. Mercer Ltd.

Regrets: Prof. G. Martin, Mr. R. Groome, Mr. M. Bourgault and Dr. J. Daniel

Amendments to Pension Plan - Pursuant to Bill 15

Mr. Doutre noted that preparations were underway to meet with the various employee groups to explain the implications of Bill 15 and the Plan amendments. Information sessions will be held for members of the various Academic & Non-Academic associations and unions.

Mr. Hamilton reviewed the revalorization table which illustrates the ratio of pension benefit provided by the revalorization formula compared to the pension plan formula. At the time a decision is made to postpone retirement a notional account will be established and revalued annually using the interest and inflation assumptions set out in the revalorization formula. (See Appendix A - October 4, 1982) The sample table illustrates two assumed rates of inflation and three different periods of service. At age 70 or the date the participant wishes to draw the pension the additional value in the notional account is applied to an annuity and added to the participant's pension. This is then compared to the pension that would have accrued according to the Plan formula and the participant receives the greater of the two benefit calculations. In the examples illustrated only participants with less than 10 years of service at Normal Retirement Date would receive larger pensions from the Plan formula, for longer service participants the re-valorization formula is more beneficial.

The Chairman noted that when dealing with both a thinking and suspicious group of participants it is always better to provide a choice, therefore, it may be expedient to leave both options in our Plan.

Mr. Hamilton noted that leaving both options required more calculations at the eventual retirement date but this option is open to the University.

The Chairman noted the computations could be done by computer.

Pensions of Disabled Employees

Mr. Hamilton noted that this item is not required by Bill 15 but is being reviewed now due to the fact that an amendment is required in the Plan document. At our last meeting it was agreed that the Ad Hoc Increases should be applied to the salary and Y.M.P.E. of disabled participants.

...../2

Prof. Bessner asked if the Plan can afford the cost of the change. Mr. Hamilton replied that the group is not large enough to generate significant cost. There is perhaps one retirement every five years.

Mr. Smart proposed a motion that the accrued pension be based upon the frozen accrual Base plus Ad Hoc Increases (Column 3 of the sample calculation - Appendix A - page 2), Mr. Waters seconded the motion and it was unanimously carried.

The Chairman noted that all recommendations were subject to receiving comments from interested parties.

Draft Amendments to the Pension Plan

Mr. Hamilton reviewed the draft amendments to the pension plan. The recommended change to Section 2.4 was acceptable to Committee.

Mr. Hamilton explained that Sections 4.4 and 5.4 would have to be re-worded if participation beyond age 65 is adopted. Several suggestions were put forward with no concensus, therefore Mr. Smart and Prof. Ripstein suggested that Mr. Hamilton provide a revised recommendation. Section 6.3 will also have to be revised.

Sections 6.4 through 6.6 are required additions to comply with Bill 15 and these sections were acceptable to Committee. Also, it was noted that Appendix A of Section 7.5 would not have to go through the Board of Governors but would have to be submitted to the Regie des Rentes du Quebec for approval.

Mr. Smart indicated that he was not comfortable with the assumption of Section 7.4 that an employee would receive a revalorized pension only. Mr. Waters agreed that participants should be given a choice of continuing participation or the revalorized pension, whichever was greater. A discussion of the pros and cons ensued and it was generally agreed that the either/or option should be incorporated in a re-draft of the pertinent Sections.

Loyola Past Service

The Chairman advised Committee that the Board had requested a review of the Loyola Past Service situation by the Benefits Committee and a progress report would be required for the next meeting of the Board of Governors.

The task will require investigation of this group of employees and actuarial costing of improvement approaches. This does not mean we are committed to funding the difference but determining the nature of the problem and the costs attached to resolving it. We can then appeal to the government to pick up the costs.

The Chairman also noted that the nature of the problem is poorly understood by the individuals affected and we must obtain the facts, assemble them and present them to the Board in a way which conveys the greatest possible understanding of the issue. We must identify and dispel the perception that there was some kind of post merger discrimination.

The Chairman felt there was a perception of post-merger discrimination and if proven not to exist it should be dispelled.

Mr. Hamilton noted that there are three or four important reasons why Loyola members are entitled to smaller pensions.

The Chairman remarked that these reasons must be identified and Committee must try to understand the information completely in order to convey the facts to the Board of Governors.

Respectfully Submitted,

M.D. Johnson, Secretary